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Market access: developments since the Uruguay Round, implications, opportunities and challenges, in particular for the developing countries and the least developed among them, in the context of globalization and liberalization

Draft ministerial communiqué submitted by the President of the Council

We, the Ministers and Heads of Delegations participating in the high-level policy dialogue and the high-level segment of the substantive session of 1998 of the Economic and Social Council, held from 6 to 8 July 1998, having considered the theme "Market access: developments since the Uruguay Round, implications, opportunities and challenges, in particular for the developing countries and the least developed among them, in the context of globalization and liberalization", have adopted the following communiqué:

1. Fifty years ago, the multilateral trading system was established as the result of a process that had begun at the United Nations Conference on Trade and Employment, which was held pursuant to a resolution of the Economic and Social Council, adopted by the Council at its first session, in 1946, in which the Council called for a conference to draft a convention for the establishment of an international trade organization. Over the succeeding decades, the multilateral trading system made an important contribution to growth, employment and stability by promoting the liberalization and expansion of trade and by providing a framework for the conduct of international trade relations. Today, we reaffirm and renew our commitment to uphold and strengthen the system which contributes to the economic and social advancement of all countries and peoples.

2. The continued marginalization of the least developed countries concerns us deeply. Arresting and reversing their marginalization, and promoting their expeditious integration into the world economy, constitute an ethical imperative for the international community. We will work together towards further enhanced market access for their exports within the context of supporting their own efforts at capacity-building. We therefore welcome the initiatives taken by the World Trade Organization in cooperation with other organizations to implement the Plan of Action for the Least Developed Countries, including through effective follow-up of the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, held in October 1997. We recognize that full implementation of the Plan of Action requires further progress towards duty-free imports from least developed countries. We also invite the World Trade Organization, the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP), the International Trade Centre (ITC), the World Bank, the International Monetary Fund (IMF), the United Nations Industrial Development Organization (UNIDO) and other relevant organizations to provide enhanced technical assistance to help strengthen the supply capacity of the least developed countries and to help

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them take the fullest possible advantage of trading opportunities arising from globalization and liberalization.

3. The Uruguay Round of multilateral trade negotiations resulted in a more open, rule-based and predictable multilateral trading system and in significant improvements in market access conditions. Furthermore, since the establishment of the World Trade Organization, important multilateral negotiations have been concluded that have increased market access for information technology products, basic telecommunications services, and financial services. In addition, the dispute settlement mechanism of the World Trade Organization, which strengthens the rule-based multilateral trading system, provides effective recourse to members with regard to defending their market access rights.

4. However, significant non-tariff and tariff barriers and high variance, with tariff peaks and tariff escalation, still affect a notable range of products and sectors, particularly ones of export interest to developing countries, including the least developed countries. The degree of market access commitments in trade in services varies considerably. Future trade negotiations should take these issues into account with a view to securing further broad-based trade liberalization for the benefit of everyone. Resort to trade actions in the form of contingency measures, such as anti-dumping duties and countervailing duties, and of unilateral actions should be subject to increased multilateral surveillance so that they respect and are consistent with multilateral rules and obligations.

5. Important gains in market access for developing countries' exports have been achieved through regional trading agreements which have built upon increased disciplines and tariff concessions resulting from the Uruguay Round. Bearing in mind the primacy of the multilateral trading system, and the importance of open regional economic integration, regional trade agreements should be outward-oriented and supportive of the multilateral trading system.

6. We stress the importance of effective application by all members of the World Trade Organization of all provisions of the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, taking into account the specific interests of developing countries and in this respect reiterate the need for the effective implementation of the special provisions in the multilateral trade agreements and related ministerial decisions in favour of developing country members, in particular the least developed among them. The Generalized System of Preferences (GSP) remains a major instrument for further improving market access of developing countries; there is scope and need for further improvement of the GSP, especially for the least developed countries.

7. We recall that the second Ministerial Conference of the World Trade Organization decided to establish a process to ensure full and faithful implementation of existing agreements and to prepare for the third Ministerial Conference. In this regard, we stress the importance of the submission by the General Council of the World Trade Organization of recommendations regarding the work programme of the World Trade Organization, including further liberalization sufficiently broad-based to respond to the range of interests and concerns of all members of the organization within the framework of the World Trade Organization, that will enable the members to take decisions at the third Ministerial Conference of the World Trade Organization. The second Ministerial Conference of the World Trade Organization also decided that the General Council of the World Trade Organization would establish a comprehensive work programme to examine all trade-related issues relating to global electronic commerce. In this regard, we stress the importance of assisting developing countries in capacity-building and the development of their services infrastructure, in order to enable them to maximize the benefits they could derive from electronic commerce. Countries with economies in transition also need such assistance. We call upon UNCTAD, in collaboration with other organizations, to provide appropriate analytical support and technical assistance to developing countries in this area.

8. We strongly underline the need to provide technical assistance to developing countries for capacity-building in trade negotiations and in taking fullest possible advantage of the dispute settlement mechanism of the World Trade Organization. We acknowledge with appreciation the assistance given by UNCTAD to developing countries through its policy research and analysis and technical assistance and we invite UNCTAD to continue to provide such support, including assisting developing countries in formulating a positive agenda for future trade negotiations.

9. We attach great importance to the diversification of African economies and increased market access for their export products. In this regard, we express our appreciation to the Secretary-General of the United Nations for recently putting forward an action-oriented agenda for the development of Africa. Continued efforts are needed to enhance market access for products of export interest to Africa and to support the African economies' efforts at diversification and building of supply capacity.

10. We are concerned about the financial crisis afflicting a number of countries, with its serious implications for world economic and trading prospects. There is a need for improved measures to address the negative effects of the volatility of international capital flows on the international trading system and the development prospects of developing countries. Keeping all markets open and maintaining continued growth in world trade are key elements in overcoming this crisis. In this context, we reject the use of any protectionist measures. Consideration should be given to the trade financing needs of the countries affected by the crisis to enable them to import essential items. It is important that the momentum towards increased trade liberalization, particularly as regards products of interest to developing countries, be maintained, and be given attention in the work leading up to the third Ministerial Conference of the World Trade Organization. At a broader level, there is a need for greater coherence between the development objectives agreed to by the international community and the functioning of the international trading and financial system. To this end, we call for close cooperation among the United Nations, and multilateral trade and international financial institutions. An important step in this direction was the convening of the special high-level meeting of the Economic and Social Council with the Bretton Woods institutions, on 18 April 1998.

11. While noting that multilateral trade agreements have contributed to security of market access for members of the World Trade Organization, we recognize that such security is not enjoyed by non-members, including those seeking accession to the organization. We emphasize the importance of attainment of the universality of the multilateral trading system and the need for government members of the World Trade Organization and relevant international organizations to provide assistance to non-members of the World Trade Organization, so as to facilitate their efforts with respect to accession in an expeditious and transparent manner on the basis of World Trade Organization-related rights and obligations. The World Trade Organization and UNCTAD are invited to provide the necessary technical assistance to these countries in this regard.

12. We welcome the development of a collaborative and complementary relationship between UNCTAD and the World Trade Organization, which augurs well for the multilateral trading system and for effective integration therein of developing countries, including the least developed countries. We also express our appreciation to the secretariats of UNCTAD and the World Trade Organization for jointly preparing their excellent report (E/1998/55) for the high-level segment.

Notes

[1] See *Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994* (GATT secretariat publication, Sales No. GATT/1994-7).